

FINANCIAL BUREAU
Tribune Building
154 Nassau Street

Wealth—Markets—Investments

TELEPHONES:
Beekman 3000
Beekman 8243

New Island Oil Facts

1. Over 20,000 barrels of oil are being taken daily from Island's second largest gusher, which was rumored to have been shut down.
2. March shipments—668,841 barrels.
3. Fifth \$5,000 barrel tank at Palo Blanco nearing completion. Three additional tanks under way.
4. Storage oil on hand at noon April 3rd amounted to 61,000 barrels. April shipments should equal or exceed March shipments.
5. Opportunity to increase the Company's products and profits afforded by the formation of the Island Refining Company.
6. Island's new well in Comales district of Mexico producing 26 1/2 deg. gravity oil, which surpasses best oil ever produced in Mexico.

I will be pleased to execute your orders.

John J. MacCrum

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Member N. Y. Curb Market Association
25 Broad St., N. Y. Phone: Broad 516

MARKET REVIEW

One weekly publication contains in the current number timely information regarding a number of important securities, including—

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Kelly-Springfield
Jewel Tea
Swift International
Libby, McNeill & Libby

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Uptown Office, 67 W. 125th St.
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Investment Opportunities in MARINE SECURITIES

From time to time we offer investment in First Mortgage Marine Bonds. Such loans are underwritten by us and sold with our recommendation.

These bonds are secured by Substantial Cash, Real Estate, Properties, Liberal Sinking Fund Provisions and other safeguards which protect investors. Particulars on request.

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New Jersey Zinc
Singer Manufacturing
Texas Pacific Coal & Oil

J. K. Rice, Jr. & Co.

Phonics 4000 to 4010 John, 35 Wall St., N. Y.

LIBERTY BONDS

All denominations bought for cash. Based on the closing bid pay today.
\$20.10 for a \$100—3 1/2% Bond, 5 Coupons.
\$24.37 for a \$100—4 1/2% Bond, 5 Coupons.
\$24.95 for a \$100—4 1/2% Bond, 5 Coupons.
\$24.95 for a \$100—4 1/2% Bond, 4 C's.

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LIBERTY BONDS

All denominations bought for cash. Based on the closing bid pay today.
We paid on April 6th:
\$20.11 for a \$100—3 1/2% Bond with 57 coupons.
\$24.37 for a \$100—4 1/2% Bond with 5 coupons.
\$24.95 for a \$100—4 1/2% Bond with 5 coupons.
\$24.95 for a \$100—4 1/2% Bond with 4 coupons.
Call or write for details.

SENZ-VAUGHAN & CO.

315 BROADWAY. Telephone 6056 Rector.

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STANDARD

WEEKLY SUMMARY ON STANDARD OIL ISSUES
CARL H. PFORZHEIMER & CO.
Phone 4890-1-2-3-4 Broad. 25 Broad St. N. Y.

Liggett & Drexel

Members New York Stock Exchange
United States Rubber
Summary on Application
61 Broadway New York
105 Broadway St., Boston

Bonds for Investment

Harris, Forbes & Co.
Pine Street, Corner William
NEW YORK

Finance - Economics

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The most notable financial event of the week was the unexpected refusal of Director General Hines to accept as a basis of government purchases the steel prices fixed, under the suggestion of the Secretary of Commerce, by the industrial board and the steel manufacturers. This resulted in throwing into confusion the whole situation in regard to steel prices, and the industrial board's whole business programme. The suggestion put forward at first was that steel prices might have to be reduced another \$9 or \$10 a ton to meet the view of the Director General. At the end of the week the industrial board's readjustment plan might have to be abandoned altogether. Yet the stock market displayed remarkable resistance when the news was most disturbing. It closed the week with a substantial net gain.

There does not seem to be much in the situation to cause alarm. It is not likely that the Director General will insist on prices greatly damaging to the steel interests. He has in the past shown no such disposition. And if the whole price readjustment plan is given up, the situation merely returns to where it was. There is nothing to fear from allowing the natural forces of supply and demand to resume the interrupted way they exercised before we entered war.

In the investment market last week the most significant event was the manner in which an unexpected offering of \$200,000,000 of War Finance Corporation bonds was fully subscribed for almost in a day. There were special inducements to bring out this remarkable response. The bonds are indirectly obligations of the government; they bear 5 per cent interest; they are exempt from the normal income tax, making their yield to practically all buyers equivalent to 5.40 in a taxable note; they are fully tax exempt up to \$5,000, and they run for only one year. If correspondingly liberal terms are offered on the coming Victory loan there can be no doubt of its reception. Another event of the week was the maturity on Tuesday of the \$100,000,000 Republic of France two-year 5 1/2 per cent notes.

The rate on call money on mixed collateral fell on Friday to 4 per cent, and remained at that quotation throughout the day. It is the lowest figure at which call money has ruled since March 18, the Tuesday immediately following the paying off by the government of a large issue of certificates of indebtedness, and with that exception the lowest since January 28. The reason for this is plain. It is concurrent with a high rate for money lent for fixed periods. The Victory Loan campaign is less than three weeks off; the banks, to prepare for it, are withholding time loans. This leaves a great deal more money to be loaned from day to day.

The indications for the immediate future point to tighter money. The subscriptions to the \$200,000,000 of War Finance Corporation one-year notes have not yet been accepted; therefore they have not yet had any effect on the money market, save to benefit call money at the expense of time money. Next Thursday the banks will be called upon to take another issue of several hundred million dollars of Treasury certificates of indebtedness. It may be objected that the banks have been taking these every two weeks or so, and so they have.

but the certificates do not mature every two weeks or so. They keep piling up. The burden on the banks becomes greater. They have already taken nearly \$5,000,000,000; the banks of New York City alone have taken \$1,343,538,000. Until the government loan campaign opens, therefore, the likelihood will favor firmer money.

But what will happen during the government loan campaign, and after? The campaign is an operation whereby the burden is taken from the banks by the people. It may be done by several methods. A private individual may subscribe to the loan in cash. The cash is usually held in the form of bank deposits. He withdraws this cash to buy the bond; that reduces the bank's reserve. But when the cash is sent in to the government it is returned by the government to the bank. The bank does not lose. The money becomes a government deposit instead of a private deposit; and against a government deposit it is not legally compulsory to keep a reserve. The deposit against which the individual draws a check may be a deposit against a loan which the bank has granted him. In that case the check he draws, redeposited by the government, simply represents a shifting of credits. In neither of these cases do the banks greatly lose or greatly gain.

Finally comes the instance in which the bank buys the bonds for the customer and allows him to pay off in instalments. But in this instance the bank merely uses its certificates of indebtedness, which it already holds, to take the bonds. There is then a mere substitution of one to five year notes for notes having a maturity of several months. Yet the bank is being paid off in instalments. These instalment payments bring in cash. Yet, in any case, though the situation becomes easier, it does so over a long period. The payment for the Victory loan will be in six monthly instalments. That should make it necessary for very few persons to ask the banks to carry them.

As the payments come in the government will use them to pay off maturing certificates of indebtedness. But these will not be paid off all at once, but in a period extending over months. Meanwhile, it is not likely that the government's heavy expenditures will immediately terminate. New certificates of indebtedness issues may make their appearance. If commercial borrowing remained as it is to-day the tendency would be toward gradual ease in money rates; but it is more than likely that commercial borrowing will begin to revive over that period. From the standpoint of government financing it is fortunate that such borrowing is now so low.

New Half Billion of Certificates Issued

Amount To Be Redeemed From Proceeds of Next Loan Exceeds Five Billions

WASHINGTON, April 6.—Another issue of loan certificates of indebtedness of \$500,000,000 minimum, dated April 10, and maturing September 9, bearing 4 1/2 per cent interest, was announced to-day by the Treasury. Subscription books will close April 17. This is the first issue of loan certificates for nearly a month, the last bi-weekly issue having been omitted from the programme because of the large oversubscription of previous issues. Including this issue, the amount of certificates to be redeemed from proceeds of the Victory Liberty loan is approximately \$5,355,000,000.

Delayed Dividends Cut Net Income of N. Y., N. H. & H. Co.

Railroad Administration Is Out Nearly \$1,000,000 on Rentals Which Are Due From Subsidiaries

In the annual statement of the New York, New Haven & Hartford Railroad Company for the year ended December 31, 1918, sent to the stockholders, it is pointed out that if the subsidiary companies had paid the same dividends last year as they did in 1917 the net income of the company would be substantially \$3,000,000, or a little more than 19-10 per cent on \$157,117,900 of capital stock. However, these dividends have not as yet been paid and the net income item on the statement is recorded as \$2,043,525.

The most striking difference from previous statements is the absence of operating revenues and expenses from the railroad during the calendar year 1918 having been performed by the railroad administration the revenues are received and the expenses paid by the Director General.

The corporation receives a specific rental of \$17,005,884, being the average annual railway operating income during the three years ended June 30, 1917. It is interesting to note that the statement records that of this amount only \$1,950,000 was received to December 31 last. The annual compensation for the year 1919 will be increased to \$17,173,366, due to a re-statement of the company's income by the Interstate Commerce Commission and this amount will be still further increased by approximately \$200,000 interest on the expenditures for improvement work for 1918.

Subsidiary Rentals Overdue
The income account shows that besides the rental received from the Director General there is a total of other income of \$5,662,333, making a gross income of \$22,668,217. Compared with the report for 1917, the income aside from rentals in 1918 represents a decrease of \$1,070,173. The expenditures, being principally rentals of leased roads, interests on funded debt and interest on unfunded debt, amount to \$20,614,892, an increase of \$1,034,806 over 1917. This leaves a net income applicable to the year of \$2,053,325, or \$360,570 less than in 1917. Had the subsidiary companies which paid dividends in 1917, paid the same dividends in 1918, namely, \$494,000, the income would have been \$2,547,325. The dividend income will come from the subsidiary companies, all of whom have completed their contracts with the Director General, when he is in funds to pay the rental due under the contracts and permits the dividends to be paid, but not having been paid during the calendar year it could not be included technically as a part of the income for 1918.

The expenditures for road improvements for the year amount to \$10,074,053, among which was the Thames River Bridge, which was completed and put in operation in January of this year. To carry out the programme of improvements the company arranged to borrow \$10,000,000 from the Director General and \$3,000,000 from local banks.

The total short term indebtedness of the company was \$57,024,000, of which \$51,475,000 was loaned by the government—\$43,964,000 to refund former notes, and the balance, to pay for improvements, \$2,280,000, was borrowed to make Liberty Loan subscriptions and \$2,995,000 represents short term notes to local banks.

Increase in Equipment

During the year the company's equipment was increased by 1,300 per cent coal cars and fifty Santa Fe type locomotives. For the coming year the Federal manager and the company have agreed that if funds can be secured on proper terms approximately \$7,000,000 should be expended to continue the programme of improvements, the principal item being the Cedar Hill yard and New Haven station improvements, engine houses and shops in the vicinity of Boston, new and improved bridges, signal and increased weight of rail, track material and the completion of the New Haven-New York telephone and telegraph cable line.

The company presented its claim for additional compensation, as follows:
Average annual excess over hire paid during the three-year period \$1,492,061.92
Interest at 6 per cent 452,841.56
Cost of additions and betterments, amounting to \$7,214,026.08, to enable the company to obtain economies from the use of Santa Fe type of engines in hauling heavier trains 452,841.56
Total \$1,924,903.48
It also claimed the reasonable expenses of the corporate organization.

during the Federal control and any saving in the cost of conducting the Federal valuation due to the fact that such valuation was nearly completed. The company represented that those expenditures which the stockholders had made in keeping New England industries in operation during the period of congestion and in improving the property would be enjoyed by the Director General during the period of Federal control without compensation to them. If these claims had been allowed and the company been permitted to receive as dividends from its affiliated companies the amounts received during the test period there would have been a net income of approximately \$5,000,000, or a return of nearly 3-1/2 per cent upon the capital stock.

Lewisohn Urges Thrift to Finance Social Betterment

Savings, However, Should Not Be Used as a Substitute for Productive Work, Philanthropist Argues

By Adolph Lewisohn

THRIFT should not be overdone. It is a fine thing to stop waste, because resources are thus added to the community. It is a fine thing to save a part of one's income, because the saving habit develops character. But I am not in harmony with hoarding money in order to stop working, to cease creating anything and to live on one's income in idleness.

I like the idea of saving capital so as to put it to some good use, to do something helpful with it, to improve social conditions, to do bigger things with it than hoarding it up. The German idea of saving for meanness and militarism we can do very well without.

How can the savings impulse, fostered by war necessity, be made permanent? Thrift is as necessary in peace times as in war. The war has shown some things we can do along saving lines, some things we never dreamed possible. Various agencies organized to improve citizenship standards, such as the churches, schools, Y. M. C. A. and libraries, will doubtless keep the thrift message before the people after the government loan campaigns are over.

As chairman of the thrift committee of the Y. M. C. A. industrial department, international committee, I am especially interested in its work. I believe in the Y. M. C. A., and particularly in its economic programme designed to help men and boys to think straight about their money matters. Here is an agency with thousands of branches all over the country that can foster and build permanently with the ideals of our nation's sound economic doctrines. It can conserve, perhaps better than any other organized force, the government's war educational campaigns on thrift. It has a standard and a broad conception of personal economics—a thrift of money, muscle, mind and morals. These activities help a man in his problems of earning, spending, saving, investing, giving and in waste elimination. It is a practical service which meets a universal need in the lives of men and boys.

Thrift as a Means To Life's Higher Values

How can thrift benefit industry? Some business men have thought that thriftiness will buy less. They have therefore opposed its promotion. I believe this is a mistaken idea. The truly thrifty will spend less on knickknacks, but will secure better quality in the necessities of life, and they will spend more on the higher things of life, such as recreation, education and art. They will be more apt to buy a home, protect their families with insurance and open accounts in banks, which means making resources available for industrial development. This might restrict production in a few lines. It will stimulate it in many lines. Industries are in favor of thrift, because of this possibility of increased bank deposits, which, in turn, means more capital for industrial development, and also because, other things being equal, a thrifty employee is a better worker. Many employers have found that a raise in wages was a detriment, because the workers spent the extra money in dissipation and were therefore less efficient in their jobs. Industrial managers are generally more willing to raise the wages of a group of employees who are thrifty, realizing that in this case the extra money will be used in wise ways that make the workers better men.

I am a Jew. As a class we are thrifty. Originally the Jews were farmers back in Abraham's time. But the land was taken away from them and they were forced to use their brains more in making a living. They have had a hard life as a race, but this has been a good thing. Their habits of thrift and abhorrence of waste have made it possible for them to succeed as financiers. But it has not made them miserly. It has not made them spend less, but more wisely. As a class you find them well dressed; you find them living well; you find them well represented in educational movements, philanthropic enterprises and civic affairs.

Thrift is the salvation of our national financial affairs. Large bills will become due and must be paid out of the government's treasury before all our war obligations will be met. But these required resources can be secured only as the individuals of our nation save and invest in government securities. A general practice of thrift by the American people means the stabilizing of the nation's finances.

That there are now 20,000,000 security holders in the country as compared to 800,000 before the war will have an effect on America's war rôle as a creditor nation. This means that the common people have learned how to invest their savings in securities. When industrial bonds are issued to promote large trade undertakings these bonds will find a ready market among the rank and file of our citizens. Americans have formed the habit of buying securities. It augurs well for the possibility of tremendous trade expansion in foreign fields.

\$1,000,000 City of Salt Lake City, Utah 5% Bonds

Dated April 1, 1919 Due as shown below

Principal and semi-annual interest (April 1 and October 1) payable at the National Park Bank, New York City. Coupon bonds in the denomination of \$1,000 each.

EXEMPT FROM FEDERAL INCOME TAX

Legal investment for Savings Banks in Vermont, New Hampshire and Rhode Island. Eligible as security for Postal Savings Deposits

Salt Lake City, the capital of Utah, is the largest and most important city in the State and the principal commercial city between Denver and the Pacific Coast. The city, in addition to its local industries which are greatly diversified, is an important distributing point for the rich territory surrounding it. Excellent railroad facilities are afforded by the Oregon Short Line, Denver & Rio Grande, Western Pacific, San Pedro, Los Angeles & Salt Lake, and the Salt Lake and Ogden Railways.

MATURITIES

Amount	Due	Optional
\$750,000	April 1, 1939	April 1, 1929
250,000	April 1, 1920-1939 incl.	

Prices to yield 4.70%

The National City Company

National City Bank Building New York

Redmond & Co. 33 Pine Street New York

creditor nation. This means that the common people have learned how to invest their savings in securities. When industrial bonds are issued to promote large trade undertakings these bonds will find a ready market among the rank and file of our citizens. Americans have formed the habit of buying securities. It augurs well for the possibility of tremendous trade expansion in foreign fields.

In regard to the labor situation, I believe there should be more cooperation between capital and labor. Labor ought to get a share of the earnings in addition to wages. This gets the workers interested in the enterprise and stirs their enthusiasm to help make it succeed. All my people are interested in the success of our various corporations. They feel they are being treated fairly and put themselves wholeheartedly into their work. Even my chauffeur operates on this basis. It pays to do away with selfishness and work for mutual interests.

The Importance Of Keeping Records

The influence in my life that helped me most in forming a right attitude toward money was my father. I have his picture hanging in a large frame on the wall of my office. He was a great influence for good in my life. My father's family came from Holland away back in 1609. My grandfather was born in London. As a lad I worked in my father's warehouse helping get the merchandise off the canal boats at a very small wage. Five cents was a large sum to me in those days. But I was always taught to keep a record of my money transactions and have made this a practice all my life. I have here on my desk the exact financial standing of every business with which I am connected, which shows every cent of my business's expenditures. Fifty-two years ago I came to America, where I have been in business ever since. I have succeeded by operating my business on the basis of character, honesty and fair dealing. I have put the best of my brains into my work, have tried to avoid large losses, have endeavored to make the right connections, have selected good associates, have had a chance to use my brains and have treated them well. One man I started out at \$2500 a year now getting \$50,000. He says he would rather work for me for nothing than for any one else for pay. In my business character is the first qualification, knowledge second. If an associate has knowledge but not character he is absolutely useless. He must have vision—knowledge of what is going to be. But he must not mix truth with knowledge. And, finally, he must be able to cooperate. I get my habit of giving away money from my father. I like to think of this investing money in character. I realize it is necessary in some cases to give money for the poor, but it is like putting water into a pail that leaks; it gives a little relief, is soon gone, with no permanent results. The chicken that scratches for its own food is always better off. I have seen a man in giving to help create a social order in which poverty is a rare exception. I have been interested in the care of dependent children. They are like birds in a cage, unable to help themselves, and must be fed. My idea of charity is that it should be constructive.

that during 1918 the output of the company was three times that of the year before. He also added that with the exception of the serious financial losses on the battleship Idaho the operations of the year were profitable.

Market Barometers

Stock Exchange Transactions

Stocks	Rail	Other	All
stocks.	stocks.	stocks.	stocks.
Last week 521,100	4,022,200	4,573,300	
Week bef. 233,100	3,389,800	3,622,900	
Year ago 129,200	937,300	1,065,500	
January 1 to date:			
1919.....5,288,300	45,026,500	50,314,800	
1918.....4,193,700	29,444,500	33,638,200	
1917.....5,637,300	47,029,400	52,666,700	

Bonds	Last week.	Week before.	Year before.
U. S. g. \$56,095,000	\$45,522,000	\$22,192,000	
R.T.Ds. 5,377,000	3,181,000	2,071,000	
Others 18,983,000	14,249,000	4,978,000	
All bonds 80,455,000	62,952,000	29,241,000	

January 1 to date:

U. S. gov't	1919.	1918.
547,111,000	\$165,719,000	
Others.....	55,580,000	44,930,000
All bonds.....	603,544,000	93,932,000
All bonds.....	806,055,000	304,581,000

Pierce-Arrow Sales Grow

Produced \$26,000,000 War Vehicles in 1918

Gross sales of the Pierce-Arrow Motor Car Company in 1918 amounted to \$41,354,439. This compares with \$32,565,908 in 1917, an increase of about 27 per cent. Of this amount, approximately \$26,000,000 represented war business. Net profits after depreciation, etc., were \$4,273,171.

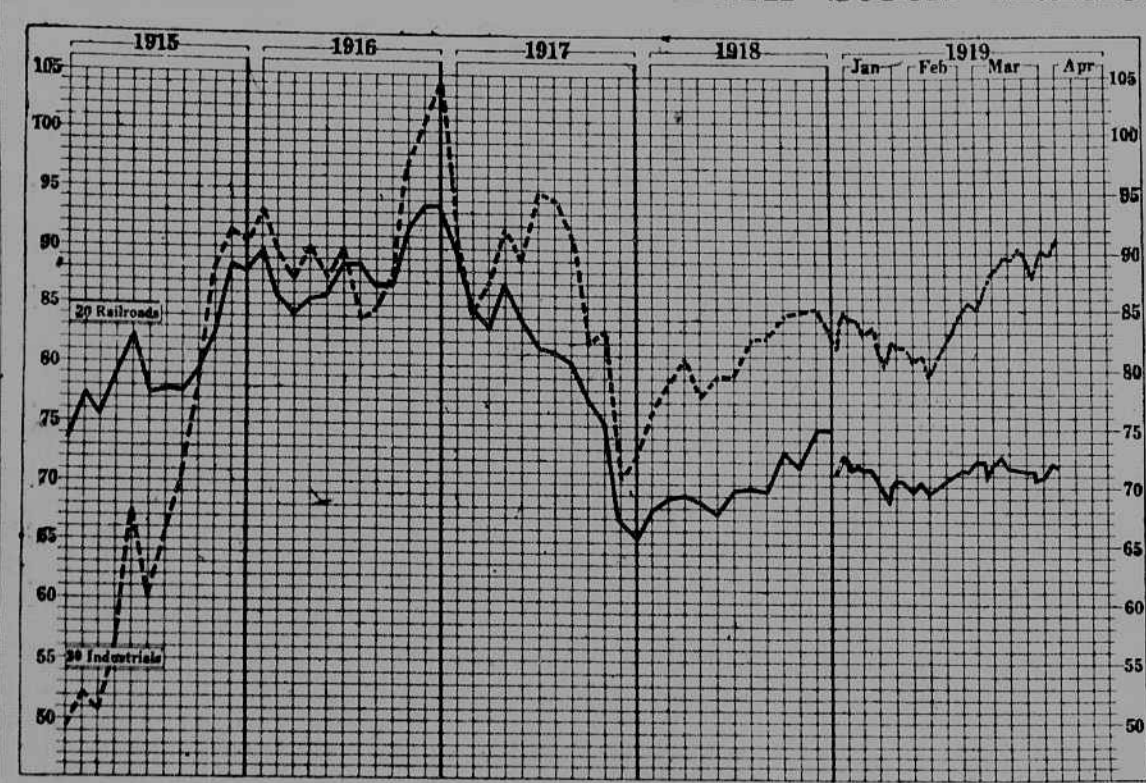
The total production for last year amounted to 8,635 vehicles, of which 1,168 were passenger cars and 7,467 were trucks. In 1917 the company manufactured a total of 7,703 machines.

Holders of the preferred stock shared \$800,000 in dividends, while common disbursement totalled \$1,562,500, an increase of \$937,500, as compared with the year before. Estimated war and excess profits and income taxes caused the deduction of \$1,200,000, leaving a surplus of \$403,240 for the year.

N. Y. Shipbuilding Shows Larger Earnings for 1918

The report of the New York Shipbuilding Corporation for the year ended December 31, 1918, shows total operating income of \$2,518,794. To this amount income from other sources of \$105,852 was added, making a total of \$2,624,646. The reserve of \$250,000 was made to cover claims on account of interpretation of costs. No reserve was shown in the report for Federal taxes.

Price Trend on the New York Stock Market



The graph above shows average price of twenty railroad stocks in one line and thirty industrial stocks in the other on the first business day of each month from January, 1915, to December, 1918, and the weekly high, low and closing average prices since January 1, 1919.

A BANKER OR BROKER'S HOME

THIS IS YOUR OPPORTUNITY. I offer for sale my home in Montclair, New Jersey, 20 minutes from New York Terminal, 16-room house, four baths, swimming pool, large garage, nearly two acres of land, elevation 400 feet, wonderful panoramic view of New York City and surrounding country. A location and a beautiful view. Near Montclair, N. J. and adjacent Essex County Park. The house is modern throughout. Grounds have beautiful trees and many varieties of shrubs and flowers. A wonderful home, ready for immediate occupancy. For terms, photos, etc., inquire of L. H. Hole, Jr., 85 Cedar Street, New York, or your own broker.

105% OF PAID AND INTEREST

THE DENVER GAS AND ELECTRIC COMPANY GENERAL MORTGAGE

5% GOLD BONDS.

To the holders of the bonds secured by the General Mortgage of the Denver Gas and Electric Company, dated May 1, 1903:

You are hereby notified that the Company intends to pay off and redeem the following numbered outstanding General Mortgage Bonds issued by the Denver Gas and Electric Company of the terms of the General Mortgage of the Denver Gas and Electric Company in the Trust Company of America (The Equitable Trust Company of New York, successor to the Denver Gas and Electric Company) on May 1, 1919, at the rate of 105% of par, plus accrued interest to that date, as upon each day of the quarter ending March 31, 1919, payable April 15th, 1919, to preferred stock holders of record at the close of business April 8th, 1919, at which time the stock transfer books close for the purpose of the annual meeting of stockholders, to be held April 23rd, 1919, to reopen 10 o'clock on the morning of April 24th, 1919.